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**“Special 301” Report Finds Some Progress on Intellectual Property
Protection, but Significant Improvements Needed**
USTR Releases Annual Special 301 Report

WASHINGTON - The Office of the U.S. Trade Representative today released its “Special 301” annual report on the adequacy and effectiveness of intellectual property protection around the globe. The report found that lack of intellectual property protection continues to be a global problem, and some governments need to take stronger actions to combat commercial piracy and counterfeiting.

“Open markets and rules that guarantee the protection of intellectual property are critical to the continued health of the creative sectors of our economy,” said U.S. Trade Representative Robert B. Zoellick. “This report reflects the Administration’s continued commitment to ensure effective intellectual property protection around the world. While we are heartened that many countries now have the necessary legislation in place that recognizes intellectual property rights, it is important that these laws be enforced.”

The report noted that ongoing implementation of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) has helped to improve intellectual property protection worldwide. For example, Egypt passed a comprehensive intellectual property rights (IPR) law which represents an improvement in all major facets of Egypt’s intellectual property regime. Colombia and Hungary are now protecting confidential medical test data in line with their TRIPS obligations. Many countries, such as Israel, are making the necessary investments in education, police, and judicial resources to improve enforcement, thereby protecting U.S. right holders in those countries.

However, ineffective enforcement of intellectual property rights, commercial piracy and counterfeiting of consumer products continue to be a global threat. Counterfeit products, from shampoo to auto brakes, harm not only trademark owners, but can also cause serious health and safety problems for consumers. Rampant piracy and lack of IPR enforcement are problems in Russia, Taiwan, Poland, Brazil, and other trading partners.

The Special 301 Report takes its name from section 301 of the Trade Act of 1974, as amended. Attached is a summary of the report, which is available at www.ustr.gov

Background:

Special 301 Report Summary
May 1, 2003

This year's "Special 301" report lists 50 countries or economies as Priority Foreign Countries, Priority Watch List (PWL), Watch List (WL), or Section 306.

Priority Foreign Countries are those pursuing the most onerous or egregious policies that have the greatest adverse impact on U.S. right holders or products, and are subject to accelerated investigations and possible sanctions. Ukraine continues to be listed as a Priority Foreign Country.

Countries or economies on the PWL do not provide an adequate level of IPR protection or enforcement, or market access for persons relying on intellectual property protection. This year's report lists eleven trading partners on the PWL. Priority Watch List countries or economies include Argentina, the Bahamas, Brazil, EU, India, Indonesia, Lebanon, the Philippines, Poland, Russia, and Taiwan.

Thirty-six trading partners are placed on the WL, meriting bilateral attention to address the underlying IPR problem. Watch List countries or economies include Azerbaijan, Belarus, Bolivia, Canada, Chile, Colombia, Costa Rica, Croatia, Dominican Republic, Ecuador, Egypt, Guatemala, Hungary, Israel, Italy, Jamaica, Kazakhstan, Korea, Kuwait, Latvia, Lithuania, Malaysia, Mexico, Pakistan, Peru, Romania, Saudi Arabia, Slovak Republic, Tajikistan, Thailand, Turkey, Turkmenistan, Uruguay, Uzbekistan, Venezuela, and Vietnam.

In addition to the forty-eight described above, China and Paraguay are subject to another part of the statute, Section 306 monitoring, because of previous agreements reached with the United States to address specific problems raised in earlier reports.

The Special 301 report is available at www.ustr.gov.

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